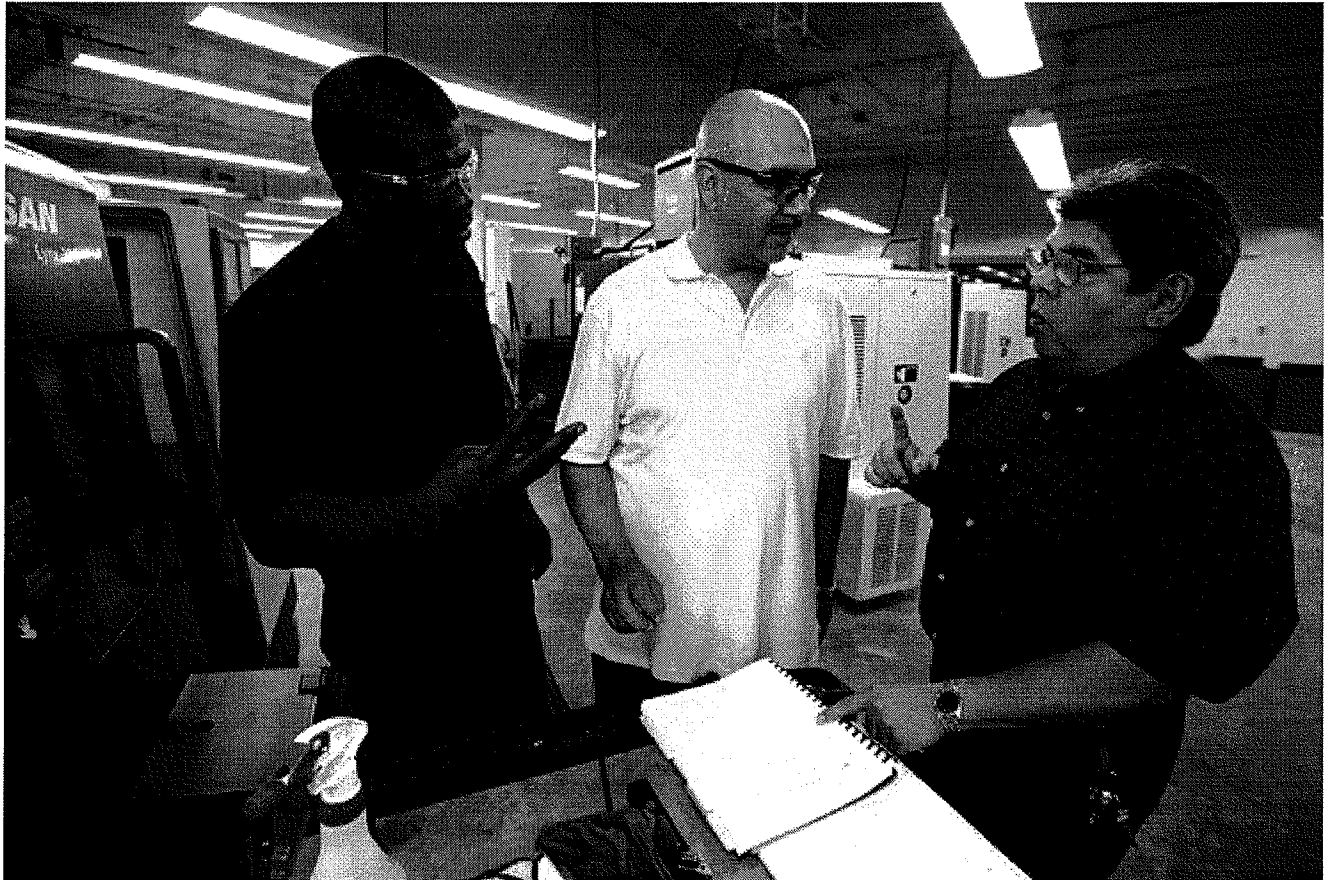


Skilled laborers sought in factories



Rick Wood

Robert Quesada (right), a computer numerical control machine educator, instructs students Latarre Roberts (left) and Wayne Garcia at Milwaukee Area Technical College.

High unemployment persists amid dearth of qualified workers

By [Rick Barrett](#) of the Journal Sentinel

Sept. 3, 2011 | [\(371\) Comments](#)

If not for the recession, Paul Rauscher said, his company would have been hard pressed to fill skilled manufacturing jobs including machinist and assembler positions.

The downturn deepened the pool of available talent as EMT International was building a factory near

Green Bay.

"I am damn glad we had a recession because, without it, I would have not been able to get the skilled workforce on board fast enough to grow this business," said Rauscher, president of the company that builds equipment for the paper, packaging and other industries.

Even as thousands of Wisconsin manufacturing workers remain unemployed, companies are worried about a lack of skilled labor. Some manufacturers say they've lost business or face stagnant growth because they can't find qualified help.

Often there's a disconnect between people who are out of work and companies struggling to fill factory jobs that require advanced skills such as reading blueprints and programming computer-controlled machines.

"I worry more about that than I worry about competition from China," Rauscher said.

Statewide, 31,000 job openings were posted at Department of Workforce Development employment centers last month, including thousands of openings at manufacturing plants. Yet the state's unemployment rate remains stubbornly high at 7.8% as of July.

Some blame manufacturers for turning people off to a career in the field, saying companies that once delayed layoffs for as long as possible now cut their payrolls at every opportunity.

Workers get "kicked to the curb" whenever a company has a bad fiscal quarter, said Michael Bolton, director of United Steelworkers of America District 2, which includes southeastern Wisconsin.

"The only loyalty is to quarterly returns. We used to sit down with companies and talk with them about their five-year and 10-year plans. Now, we are lucky if we can get them to talk about a three-month plan," Bolton said.

Small and midsize manufacturers, which are predominantly privately owned, have always maintained better discipline in holding onto their workers in tough times, said Tim Sullivan, chairman of the state Council on Workforce Investment and former president and chief executive of Bucyrus International Inc.

Historically, publicly traded manufacturers have reduced the rank-and-file workforce at the very hint of a softening in markets, Sullivan said.

"I believe this practice has been curtailed to a great extent, based on the current shortage in manufacturing skills," he said. "Unfortunately, historical perception has had a significant impact on career choices as well as high school and tech-school curriculums."

Wagner Cos., a Milwaukee manufacturer of hand railings and light fixtures, laid off about 15% of its workforce late in the recession. It was the first significant layoff at the company in more than 50 years, CEO Robert Wagner said.

The company kept dozens of people employed longer than was necessary, partly because it did not want to lose their talents and years of experience. It kept them busy doing work such as painting the factory and updating machines.

"It was heartbreaking when we finally had to release some people, but eventually we were able to hire

several of them back," Wagner said. "We want to be loyal to everyone who works here, and we hope it will be returned to us."

Worker availability

Availability of skilled workers is a top concern of manufacturers. With Indiana, Wisconsin has the highest concentration of workers in the manufacturing sector in the nation, according to the Center on Wisconsin Strategy.

While he was at Bucyrus, now owned by Caterpillar Inc., Sullivan moved about 125 welding jobs to Texas because he couldn't find enough people locally with the necessary skills. Show up with the right credentials, and companies such as Karl Schmidt Unisia Inc. could offer you a job on the spot, according to the Marinette maker of engine parts.

"We don't need rocket scientists. We need people with basic technical skills who know how to use tools, work with their hands and make something happen," said Ron Kadlubowski, director of machining technology at Karl Schmidt Unisia.

The company has grown from 250 employees in 1985 to more than 900 now. Currently, Kadlubowski said, it has dozens of openings for skilled machine operators.

"We have so many openings now, it's amazing," he said. "If you come in with a basic skill set, and you don't have some rotten work history, you are going to get hired. And other companies in the area are hiring people left and right. The hard part is finding someone who looks encouraging."

One problem in addressing the skills crisis is a lack of basic math skills, manufacturers say.

Many job applicants can't answer the question "what is one half of one half," Rauscher said, and they can't measure something to a fraction of an inch.

"How are you going to get a workforce together when people lack those basic skills? It's pretty pathetic," he said.

A manufacturer looking to fill 134 entry-level jobs, paying \$15 per hour, received 850 applications but hired only 17 of the applicants, according to Jim Golembeski, executive director of the Bay Area Workforce Development Board, in Green Bay.

Many lacked a high school diploma or could not pass basic reading, math or dexterity tests. Others flunked the drug and alcohol test.

Companies that have invested millions of dollars in technology won't tolerate employees with drug and alcohol problems messing up the equipment as a result of their addictions. "And they aren't going to let you touch one of those machines if you don't know what you are doing," Golembeski said.

Impact of retirements

The shortage of skilled workers could worsen as waves of older people retire in the next few years.

"If we don't plan for the future, we aren't going to have one," said Kurt Bauer, president and CEO of Wisconsin Manufacturers & Commerce. "Without a skilled workforce, we can say goodbye to those

jobs."

Some blame the public schools for not preparing students for manufacturing careers.

Sullivan favors restoring a "dual enrollment" program that Wisconsin had years ago, where high school students could take classes at technical colleges and get credit toward their high school diploma as well as technical school.

"It's not a jobs crisis that we have, in my opinion. It's an education crisis," he said.

There's a huge gap between high schools and the world of work, Golembeski said. "Young people aren't getting work experience early on. The jobs they used to do are now automated or have been taken by older workers."

Often, schools can't afford to create workshops that have factory machines costing hundreds of thousands of dollars.

And some schools place almost no emphasis on manufacturing-career skills.

"Students come out of high school with no technical training and no practical skills, including how to measure something with a caliper scale," Kadlubowski said.

Vocational education has its critics, including Robert Lowe, a professor in the department of educational policy and leadership at Marquette University.

Historical data shows that students who took vocational education classes often ended up in jobs they didn't train for, and it didn't give them an advantage in their career earnings, according to Lowe.

"When you insert vocational education into a high school, you are basically saying that is going to be the destiny for a certain sector of the population. And it just doesn't fit all that well. There's been a mismatch that goes all the way back almost a century," he said.

Addressing the gap

To address the skills gap, Waukesha North High School offers manufacturing-focused classes, including a math class that uses algebra, geometry and trigonometry to solve real-world problems. Two sections of each class are filled to capacity, said Ann Lange, career and technical education coordinator for the Waukesha School District.

"We need to keep current with the times. What we now call the technology and engineering department is not the same as the old industrial education," she said.

Technical schools have been called the "new colleges" for people with four-year degrees who can't find work in their field, said Dorothy Walker, an interim dean at Milwaukee Area Technical College, which offers classes in areas such as welding and computer-controlled factory machines.

"They can get skills that are relevant to the job market" and build another career, said Walker, who once worked as a welder at a mobile-home factory and went through several layoffs before getting into the field of education.

Some companies, such as KHS USA Inc., of Waukesha, have started apprenticeship programs in

conjunction with technical colleges. The four-year program at KHS includes one day a week of paid classroom training for the first two years, and four days a week on the job.

Students learn how to service complex packaging machines used in the food and beverage industries. It's the "Maytag repairman on steroids," said Mary Mercurio, director of human resources at KHS.

The technicians can earn between \$75,000 and \$110,000 a year, as the jobs are demanding and require travel and customer service skills, Mercurio said.

"These jobs are some of the highest-paid positions in the company. The people we have don't want management positions because it could lower their income."

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JULIE LASSA

STATE SENATOR

Testimony on Assembly Bill 97
Assembly Committee on Colleges and Universities
Thursday, September 8, 2011
10:00 AM
225 Northwest

Chairman Nass and committee members, thank you very much for holding a hearing today on Assembly Bill 97, which will expand funding for one of the state's most successful examples of how education facilitates economic development. I am the lead author of the Senate companion bill, SB 40.

One of the most successful programs created during the last legislative session was the Advanced Manufacturing Training Grants, a program that enabled the Wisconsin Technical College System to work with businesses to provide training in high-demand manufacturing skills and help our manufacturers compete globally. This program is extremely popular, and the original \$1 million in grants were used rapidly by 103 companies to train 4,135 workers. In response to that demand, the CORE Jobs Act expanded funding for FY 2010 to \$2 million.

Advanced Manufacturing Training grants are made from the overall training grants appropriation to WTCS. After the passage of the CORE Jobs Act, the total of that appropriation was \$3.97 million annually; CORE specified that \$2 million of that be spent on Advanced Manufacturing Training Grants annually. The 2012-13 Biennial Budget maintains the FY 2010 status quo for this program.

companion SB 40, as amended, would increase the training grants appropriation by \$400,000 annually, and increase the amount required to be granted for Advanced Manufacturing Training Grants to \$2.4 million annually. This vital program helps companies grow, expand and create new jobs, and helps employees improve their skills and compete for the jobs of tomorrow.

We often talk about the impact of a well educated work force on Wisconsin's ability to compete for new businesses and to help our existing businesses thrive and grow. I think the most exciting thing about the Advanced Manufacturing Training Grants program is that the link between workforce development and economic development is clear and direct. We can look at example after successful example of how this program is expanding the capacity of our companies to compete, helping to attract new companies and giving our working men and women the employment skills they need.

In my own district, Ocean Spray needed to upgrade workforce skills as it dramatically expanded its cranberry production lines in Wisconsin Rapids. It partnered with the

faculty at Mid State Technical College to provide specialized production training for Ocean Spray employees. Typically, it takes about four months to develop a new production line for cranberry processing. Mid State training helped cut that time down to eight days for Ocean Spray. As a result, Ocean Spray was able to fully realize the benefits of \$75 million in capital improvements for production expansion, the largest capital investment the company has ever made in a manufacturing facility. That new capacity allowed the plant to expand from 50 to 168 full-time employees.

Success stories like this are happening all over the state, at Ashley Furniture Industries in Arcadia, BuySeasons Inc. in New Berlin, Wissota Tool and Machine in Chippewa Falls, PDM Bridge in Eau Claire, Procter and Gamble in Green Bay, and dozens more.

Earlier this year, I participated in the effort to recruit a manufacturer to establish a new plant in my district. Of all of the incentives presented to them, the one they were most interested in was the availability of specialized workforce training from our local technical college. I have seen first hand the power of this program. It is unquestionably one of the best possible investments we can make in the economic recovery of our state and in the job security of our citizens.

The amendment we have introduced to this bill corrects a drafting error with the original draft, and ensures that WCTS receives the funding it needs to expand grants for Advanced Manufacturing Training.

In a time when resources are as scarce as they have ever been, we need to be sure that we invest the funds we do have in programs that work. The Advanced Manufacturing Training Grant program is a prime example of a program that is working. It received strong bipartisan support in the last session, and I hope this committee will take executive action to keep this program strong.

I thank you again for holding this hearing, and for taking up this important legislation.



KEITH RIPP

47TH ASSEMBLY DISTRICT

Representative Ripp
Testimony on Assembly Bill 97
September 8, 2011

Chairman Nass and members of the Assembly Colleges and Universities:

First, I want to thank you for holding a public hearing on this bill and Senator Lassa for her continued partnership to move this legislation forward.

Assembly Bill 97 would increase the amount of Advanced Manufacturing Training Grants \$800,000 over the biennium. With the economic difficulties still facing Wisconsin, training programs are needed now more than ever. This bill keeps with Wisconsin's long held belief that its best assets are its people and it is vital that we keep them trained for tomorrow's economic development.

Advanced Manufacturing Training Grants are used to partner high-end manufacturing with Wisconsin's technical schools. Wisconsin's manufacturing is suffering from the lack of qualified candidates and the over whelming burden of keeping their employees technologically up to date. Just this week, an article by the Milwaukee Journal Sentinel highlighted the need for increased training in today's manufacturing. The manufacturing workforce needs to be skilled in running a computer controlled system and reading blue prints.

The same way high schools must teach our youth basic math and reading skills, our tech schools must get back to partnering with Wisconsin's manufacturers to teach the skills needed to run tomorrow's systems. Renewing those partnerships and creating new ones strengthens our commitment and it sends a clear message to manufacturing in this state. Wisconsin is open for manufacturing and we have a workforce committed to gaining the necessary skills for tomorrow's jobs.

I have also introduced an amendment to the bill that is the same as Senate amendment. Assembly Amendment 1 increases the total amount of grants available from \$4 million to \$4.4 million. The purpose of the amendment is to make sure money is available to all industries when training is needed. I think the Milwaukee Journal Sentinel highlights the need for increased training across all industries.

Again, thank you to the committee for holding a public hearing on this and I ask that you join me in support of Assembly Bill 97.